

Coffman: No need for more bailouts and spending

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Recently, the House considered legislation (H.R. 5297) that will create a \$30 billion fund for the secretary of the Treasury to use to make capital investments in smaller financial institutions. The investments are allegedly to encourage small business lending.

I ran a small business before coming to Congress, and I know that access to capital is important — especially during these tough times. But this legislation does not include any requirements that banks actually use the money to lend to small businesses. I opposed the bill because it puts the taxpayer under billions of dollars more of obligation and does not offer a guarantee that small businesses will benefit from the funding.

That's right — there is no guarantee that the banks must lend the money they receive from the taxpayer. Instead, the bill attempts to persuade banks to do so by allowing them to pay back the taxpayers at lower rates if the banks offer more loans. But, if no loans are made after two years, participating banks would pay no penalty.

Maybe I haven't been in Washington long enough, but supporting a bill to increase small business lending that does not actually require increased small business lending makes no sense.

Although similar to the 2008 Troubled Asset Relief Program (TARP) that first offered bailouts to financial institutions, this bill does not require the same strength of oversight and accountability as the first TARP did. TARP has an extensive oversight mechanism, but this bill was excluded from it.

Alarming, in May more than 90 banks missed their monthly TARP payment. This shows the risk associated with government funded bailouts. There is simply no assurance this \$30 billion will ever be repaid.

Federal spending and debt are already out of hand. We have added \$2.4 trillion to the national debt in the last 18 months. America needs a reasonable, pro-growth economic policy to promote jobs development and business expansion. We do not need, and cannot tolerate, more bailouts and increases to the size and scope of government.

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